National Social Report
Hungary
2014
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ANNEXES
1. Introduction

- any new political developments concerning the Member State (if relevant, such as new government taking office, structural changes of the governance of social policies)

Parliamentary elections were held in Hungary on 6 April 2014. As a result of these elections, the existing party alliance of FIDESZ Hungarian Civic Union and the Christian Democratic People’s Party will continue in government, following formal nomination by the President of the Republic. The new government is expected to be formed in mid-May, and the new governmental structure will be developed thereafter.

- the division of competencies at national level (ministries covering the social protection portfolio) and the division of competencies between national and local/regional level

The Ministry of Human Resources is responsible for the operation of the local social and health care system, the development of education, the preservation of our cultural values, the enforcement of the interests of children and young people, and the implementation of governmental concepts related to sports in Hungary.

As part of its main responsibilities, it is the duty of the Ministry to ensure operation of the health care system to the highest standards, to develop concepts related to the national pension system, to support families, to develop teaching in the educational system from kindergarten all the way to university, to create new cultural assets and initiatives, and to preserve our national and universal cultural heritage. The Ministry of Human Resources seeks to create the conditions for quality life by developing and operating a reliable social welfare system, maintaining a health care system which focuses equally on the needs of patients and physicians, and developing effective teaching practices within the school system that extend from kindergarten to university.

The remit of the Ministry of Human Resources covers tasks related to social and pension policy, family policy, drug prevention and drug affairs coordination. It is responsible for child and youth protection, the development of child and youth policy and the promotion of equal opportunities for people living with disability. It lays emphasis on church affairs and issues related to the protection of our cultural heritage. The Ministry also provides for drafting plans related to amateur and professional sport in Hungary based on the Government’s sports policy concepts.

- the overall strategy for social protection and investment

The Hungarian government guarantees the strategic foundations for interventions designed to promote social inclusion and social cohesion with a coherent system of comprehensive and area-specific strategies, rather than with a single strategy. In the context of the scheme of social protection systems, the Széll Kálmán Plan and the New Széchenyi Plan identify fundamental directions for governmental intervention. In addition to these overall strategies, the National Social Inclusion Strategy and the Hungarian Labour Plan designate medium-term directions for action in the field of employment.

The interventions are based on activation of the working-age population and on promotion of participation in the labour market. As is also emphasised in the National Reform Programme, the Hungarian government has implemented a number of measures in recent years for the activation of the work force and the enhancement of employment: the social care system has been transformed to encourage work, the available active labour market options have been reinforced, a new Public Works Programme has been launched, and Act I of 2012 on the Labour Code was also passed. The effects of these measures were boosted by the transformation of the taxation system and the introduction of a new scheme of employer benefits that affects the employment of hundreds of thousands of people by directly reducing the costs of employment.
The employment policy interventions are reinforced, supported and supplemented by various family policy measures and interventions designed to improve the chances of inclusion, to reduce child poverty and to promote successful advancement in school.

- **progress made against the overarching objectives of the OMC (social cohesion, equal opportunities, good governance, transparency and involvement of stakeholders)**

The Hungarian government looks upon the overall criteria of the open coordination mechanism as a particular priority. The National Social Inclusion Strategy approved in 2011 is the basic document for policies concerning social cohesion. The monitoring and consultation mechanisms developed in line with the Strategy and its action plan serves the enforcement of inclusion criteria in the system of specific governmental policies.

- **key macroeconomic figures highlighting the overall economic context**

The relevant data is contained in the NRP.

- **key social indicators highlighting the social situation in the Member State (here Member States can use national figures which could be more up-to-date compared to EUSILC data)**

The Government lays particular emphasis on the development of statistical indicators concerning social inclusion. The Central Statistical Office is among the first to disclose the latest SILC data to Eurostat. The 2013 poverty indicators are already available on the Eurostat website as of April 2014.

- **information on the consultation of national stakeholders and the procedure for approval (only for the National Social Reports)**

Consultations with stakeholders are conducted with the involvement of the National Economic and Social Council.

- **how, if appropriate, social innovation has been used for supporting relevant initiatives**

Not relevant.

### 2. A decisive impact on the eradication of poverty and social exclusion

By endorsing the targets of the fight against poverty and social exclusion laid down in the Europe 2020 Strategy, in 2010 Hungary agreed to reduce the poverty rate of families with children, the number of people living in severe material deprivation and the number of people living in households with low work intensity by 20% by 2020; after filtering out the overlaps between the population covered by these three indicators, this is the equivalent of raising some 450,000 people out of poverty.

As a result of the economic recession, the number of people at risk of poverty or social exclusion in the EU increased from 114 million in 2009 to 124 million by 2012, thereby moving further away from the target set for 2020, which sought to reduce the number of these individuals to 96.4 million. Based on the European Commission’s assessment, there is scope only for slow improvement, and based on recently published estimates this may mean a reduction in the number of those at risk to 100 million by 2020.

Negative trends at EU level were also felt in Hungary. A review of the Hungarian Europe 2020 poverty indicators shows that two out of the three elements of the composite indicator are fundamentally responsible for the deterioration of the overall indicator: the indicator demonstrating the number of people living in households with low work intensity is responsible to a lesser extent, while the severe material deprivation indicator contributes to a greater extent. The percentage of people living in severe material deprivation increased by 2.6%. The deterioration in the indicator for income poverty after social transfers is only minor, in spite of the recession; the effectiveness of the Hungarian social benefit assistance and care system plays a role in this. In addition to active labour market options,
the public works programmes also seek to fundamentally improve the situation of those living in households without work; it is presumed that the effects of these are not yet fully reflected in the 2012 data. Financial problems related to loans and housing expenditures play the most determining role in the deterioration of the material deprivation indicator. Measures taken by the Government to improve the situation of those with foreign currency loans and to reduce household utility expenses seek to alleviate these problems (see National Reform Programme, Chapter III.7 Energy and Transport). The effects of these measures are likewise not yet reflected in the 2013 data. On the whole, the number of people affected by the above three indicators increased in 2012 to 3,188,000 (32.4% of the population), which represents a 1.4 percentage-point increase compared with the previous year’s corresponding figure.

Child poverty is a key issue in Hungary, as the situation of households with children is less favourable than that of the average population. Children are therefore one of the main target groups of the measures designed to reduce poverty.

The Government helps socially needy people with a variety of care services. Income substitute benefits and income supplements that serve to assist with the payment of certain expenditures are available to those below a statutorily-determined income level, and for a number of services means-testing has also been stipulated. By enforcing these income and means-tested criteria, we may ensure that only those will receive care services who do not have the financial means to satisfy their day-to-day needs. In the interest of guaranteeing that care services are appropriately targeted and are used for the intended purpose, the percentage of services that may be provided in kind has increased recently for a number of benefits. Chapter 3 contains a detailed description of the development of care services.

Additionally, integrated (complex) programmes promote the integration of disadvantaged children, while the successful advancement in school of multiply-disadvantaged learners is promoted with the aid of complex programmes and scholarship programmes. Improved access to inclusive education for disadvantaged children – including Roma children – is promoted by programmes such as: the “For the Road” scholarship programmes; various career orientation programmes and scholarship programmes promoting successful participation in vocational training; the integrated pedagogical programmes; the Arany János programmes; the Alternative Learning Facility Programme; the Second Chance Programme; the Roma specialisation colleges; and scholarships serving to help disadvantaged students gain admission to higher education, such as the Bursa Hungarica mentoring programme.

Cultural institutions help to provide access to culture with equal opportunities and promote social inclusion as part of various non-formal and informal learning sessions outside the normal boundaries of school for children at risk from early school-leaving and children who have already dropped out of school, while they also offer basic skills development programmes implemented as part of life-long learning for adults. These programmes are implemented from EU and national funds (approximately 650,000 people are involved); however, the document entitled “Framework Strategy for Life-Long Learning Policy for the Years 2014-2020” also defines the further significance of these opportunities.

The Government is additionally introducing and continuing a number of measures to prevent the passing on of social disadvantages and to promote social security. Since 2007, 109 Sure Start Children’s Centres developed from EU funding have been created throughout the country. In the children’s centres operating as part of the complex regional programmes, experts help to overcome disadvantages from the earliest possible age. After early childhood intervention there is improved social integration in kindergarten, in school, on the labour market and also in local society. Parental skills are enhanced, and we may break the cycle of the regeneration of poverty for the children concerned. The school milk and school fruit programmes operated from national and EU funding promote prospects for improved access to healthy nutrition for children living in extreme poverty.
Additionally, the primary task of the Evaluation Committee of the National Strategy “Let Children Have a Better Life!” is to keep track of and monitor the attainment of child poverty targets.

It is likewise an important goal for the Government to create equal opportunities both nationally and locally. The local, horizontal foundations for the national inclusion policy are laid down in local equal opportunities programmes. Based on Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities, local governments are required to approve local equal opportunities programmes for terms of 5 years. Since 1 July 2013 local governments may only be awarded aid on the basis of individual decisions if they have a valid and effective local equal opportunities programme. Local governments are helped with the drafting of their programmes by a mentor network operated as part of the priority project entitled “Providing capacity for equal opportunities-centred development policies”. As part of their local equal opportunities programmes, local governments assess the social, educational, employment, health care and housing situation of disadvantaged social groups and devise an action plan for the complex management and resolution of the problems identified as part of the assessment. In order to enable the monitoring at national level of the measures taken for the improvement of the situation of the equal opportunities target groups (people living in extreme poverty – Roma, children, elderly, women, people with disabilities) and the management of their problems, local governments prepare their programmes on the basis of standard principles identified by the Government.

Enhancing the labour market prospects of disadvantaged groups is a primary consideration. The overall goal of the 2014 social land programme is to manage unemployment and to promote employment, in particular, by involving social groups afflicted by disadvantages. The social land programme contributes to the reduction of regional disadvantages, activation of the beneficiaries, the development of their employability levels and the improvement of the living and quality of life of disadvantaged people, primarily the Roma. Based on the initiative of the National Roma Self-Government, a new form of social cooperative has been introduced, in addition to the school cooperative and similar in its purpose: the employment cooperative; the preparations for the establishment of employment cooperatives are funded from an EU programme. The purpose of the programme launched in 2013 is to create the pre-conditions necessary for the establishment and commencement of the operation of employment cooperatives, and to support the organisational and skills development allowing the appropriately prepared target groups to establish sustainable social enterprises. As a result of the development programme in preparation for the establishment of employment cooperatives, a minimum of 1,000 disadvantaged unemployed people will attend training, 1,800 target group members will receive competence and skills development related to the operation of the social economy, and a minimum of one employment cooperative will be established. The employment cooperative established by the National Roma Self-Government was launched in March 2014.

3. Recent reforms in social inclusion policies

3.1 Access for all to the resources, rights and services, preventing and addressing exclusion and fighting all forms of discrimination

3.1.1 Improving take-up and coverage of benefits and services

The amount of the nursing fee that may be provided for family members who look after and nurse severely disabled or handicapped relatives with increased nursing needs was raised and the extra nursing fee that may be provided for those nursing relatives with the most severe conditions was introduced on 1 January 2014. Since June 2013 the amount of the disability benefit and the personal
allowance for the visually impaired has been guaranteed to rise annually by the rate of pension increases (in 2013 at the rate of 5.2% and in January 2014 by a further 2.4%).

3.1.2 Ensuring the adequacy of benefits such as unemployment and social assistance
The maximum amount of the regular social benefit was raised on 1 January 2014 (in detail in Clause 6.1). The prior service time necessary for determining the benefits of people with altered working capacity (disability and rehabilitation benefits) was changed in favour of the beneficiaries, and the rules relating to the calculation of benefits were changed in certain cases. The amounts of the rehabilitation and disability benefits increased at the same rate as pensions, by 2.4% in January 2014.

3.1.3 Activation measures (ALMPs, aligning tax and benefit systems, etc.)
Compared with 2009, the total amount of active tool expenditures has almost doubled, and amounted to some HUF 264.7 billion in 2013, in such a way that both national and EU active tool expenditures have increased significantly.

Similar to the volume of funding, the number of people participating in the programmes has also increased considerably. By 2013, the total number of people participating in active employment policy measures increased per measure¹ to more than 730,000 – more than double the 2009 figure – and the number of people involved in public works schemes tripled. The number of people participating in active interventions – not including public works schemes – was 12% higher; however, the number of those obtaining subsidised employment on the open labour market also more than doubled in the same group.

Compared with similar programmes launched during earlier periods, the national labour market programmes that were launched in May 2011 under the auspices of the labour market centres – and which will extend to mid-2015 – have more than 60% excess funding, which has resulted in a rise in the number of participants. Total funding of HUF 113 billion will be available up to the end of the programmes, and the number of programme participants – and, consequently, of those receiving genuine help in finding jobs – is expected to reach some 130,000.

By the end of December 2013, the programmes – which are also in progress at present – promoted the labour market integration of some 116,000 people in the following groups: disadvantaged young people; people over the age of 50; people with low educational qualifications; people returning to work after maternity leave; and long-term unemployed people. More than 48% of those successfully completing the programme found employment on the open labour market, even without subsidisation or other forms of support.

As part of the maternity care extra package introduced in the field of family support on 1 January 2014, measures were approved that are designed to improve the compatibility of family and work and to enhance the social security of families. These measures are described in detail as part of interventions 10 and 25 of the National Reform Programme. In conjunction with these measures, the restriction on engagement in gainful activities after a child reaches the age of one whilst receiving maternity care benefits (maternity allowance and maternity benefit) has been abolished. A mother who is an active student having completed two active semesters as a full-time student in a higher education institution is eligible for a maternity allowance until her child reaches the age of one, even in the absence of prior employment (degree maternity allowance). In the case of twins (or triplets), the term of eligibility for maternity allowance is extended by a further year; that is, the maximum availability is up until children reach the age of three.

¹ The annual number of persons involved may include an individual more than once and contains in every instance the number of persons carried forward from the end of the year.
3.1.4 Improving access to enabling services such as healthcare, childcare, long term care, education, transport, etc

Pursuant to Act CXC of 2011 on National Public Education, from September 2015 kindergarten attendance will be compulsory from the age of 3 years, rather than 5 at present; this will promote successful advancement in school at a later stage in life and help prevent early school-leaving.

The introduction of extended kindergarten attendance and improved access to quality early childhood education are accompanied by a process of capacity development in the form of projects launched for the purpose of increasing available kindergarten capacity. The focus of capacity enlargement is to ensure that kindergarten education is also available in the most disadvantaged settlements. See the data on kindergarten capacity enlargement in measure 36.a) of the National Reform Programme.

Measures designed to improve access to quality education for disadvantaged and multiply-disadvantaged children and learners – including Roma children and learners – to prevent early school-leaving and to raise the level of qualifications:

The new National Curriculum entered into force in September 2013 [Government Decree No. 110/2012. (VI. 4.)]. The National Curriculum pays particular attention to the better acquisition of basic skills, thereby improving results in the continuation of studies and reducing the risk of early school-leaving.

We support a kindergarten development programme operating in the interest of the successful advancement in school of disadvantaged and multiply-disadvantaged learners and the elimination of the disadvantages stemming from their social situation, as well as skills development and integrated education (Integrated Pedagogical System) from national resources. The programmes are being implemented on an ongoing basis, also in 2014. See measure 36.b) of the National Reform Programme regarding the Integrated Pedagogical System.

The targeted programmes serving to compensate for disadvantages seek to promote admission to institutions of secondary education and the successful continuation of studies in higher education: the Arany János Talent Fostering Programme; the Arany János Boarding School Programme; the Arany János Boarding School and Vocational School Programme; the alternative learning facility programme which serves to compensate for disadvantages beyond the normal teaching hours; and the various scholarship programmes (“For the Road” Scholarship Programmes). These provide complex support (pedagogical, social, cultural, etc.) for disadvantaged and multiply-disadvantaged secondary and vocational school students.

The beneficiaries of these programmes are children and learners from the most vulnerable social groups (disadvantaged and multiply-disadvantaged children, including Roma children, children under child protection care, refugees). See the measures in items 36. c)-g) of the National Reform Programme as part of the targeted programmes.

The Public Education Bridge Programmes introduced by the new public education legislation represent a form of training in the school system which provides help for learners performing poorly in elementary education, and a chance for those who were unable to complete their elementary studies to continue their education in some form of secondary education. Enrolment took place for the first time in the 2013/2014 school year. This form of training places particular emphasis on laying the foundations for the teaching-learning process and improving the skills and motivations of learners for life-long learning.
The test developments conducted in the past few years and also ongoing in 2014 serve to improve access to quality education for children and learners with special educational needs and to prevent the unwarranted classification of any learner as having an intellectual disability.

The system of educational services (including the activities of expert committees) has undergone a major overhaul in the interest of improving access to quality care, and the relevant statutory framework is laid down in Decree No. 15/2013 (II.26.) of the Minister of Human Resources on the operation of institutions of pedagogical services, which entered into force on 1 March 2013. See more on this in connection with the measures described in paragraph 40 of the National Reform Programme.

Hungary has undertaken to reduce early school-leaving to 10% by 2020 (2011: 11.2%, 2012: 11.5%, 2013: 11.9%). In the interest of attaining this undertaking, a medium-term strategy for the prevention of early school-leaving was completed by the end of 2013. The strategy extends from early childhood care to upper secondary education, and equally contains measures for the involvement of young people of mandatory school attendance age and those beyond, in the educational and training system. See more on this in connection with the measures described in Paragraph 45 of the National Reform Programme.

We have also made progress in foster care. The legal status of foster parent as a form of employment has been introduced, in response to which there has been an increase in foster parent capacity, the standard of care provided by foster parents has improved, and the moral and social prestige of foster parent activity has also improved, through increased recognition in financial and social security terms. The measures taken are described in the National Reform Programme (Measure No. 53).

The model project of the Swiss-Hungarian Cooperation Programme, focusing on the organisation of basic care in national health services through the promotion of a virtual care centre, targets the involvement of Roma communities in screening programmes, in cooperation with the National Roma Self-Government.

3.2 Supporting people entering into the labour market

3.2.1 Access to integrated employment and social services

In addition to jobseekers and the unemployed, the scope of activities of the National Employment Services (NES) also needed to be extended to the inactive population of working age; therefore, from 2016 the Services will pursue their operations in cooperation with players in the social sector, by using a profiling system which offers personalised services. Since 2011 the NES has been a part of the decentralised public administration system. The purpose of introducing a new operational system that is able to manage inactivity and social disadvantages in an integrated manner is to enforce the priority of access to work over various monetary benefits, and to provide the necessary services in a personalised manner.

Measures have also been introduced in connection with the integration into the open labour market of people with altered working capacity. The measures are described in detail in Measure No. 49 of the National Reform Programme.

These programmes help to improve the quality of life for people with autism, with funding worth some HUF 2 billion. The establishment of a national professional advisory network is underway in order to improve the employment rate among people with autism and the social integration of the individuals concerned and their families. Infrastructure developments are also being implemented in order to promote the employment of people with autism and people with altered working capacity: procurement of machinery and other assets, construction, conversion, refurbishment and enlargement of buildings, etc.
3.2.2 Reducing gender segmentation in the labour market and facilitating women’s labour market participation

In 2013 the employment rate among women (aged between 20 and 64) was 57% in Hungary. In spite of a continuous increase in the rate of women’s employment, there is still a significant shortfall compared with the employment rate among men in the same age group and the EU average. The relatively low employment rate among women is explained by the low labour market participation of certain disadvantaged groups. These disadvantaged groups are young people, women with poor qualifications, the elderly, women with altered working capacity and women raising young children. The Government introduced a number of measures in 2013 to increase women’s employment.

The Job Protection Action Plan was introduced on 1 January 2013 for the purpose of promoting the employment of disadvantaged people through the application of targeted tax benefits. One of the target groups of the measure comprises people returning to the realm of work from various forms of maternity leave; employers requested tax benefits for the employment of 33,500 people in this category.

The implementation of the active labour market programmes continued as part of the Social Renewal Operational Programme (SROP). The programmes set out to promote the employment of 58,230 disadvantaged women (including 4,120 parents returning from maternity leave) between 2011 and 2015; 57,316 disadvantaged women (49.6% of the total number of participants) – including 3,627 parents returning from maternity leave – were involved in the programme up to December 2013. In addition to conventional employment programmes, innovative employment programmes conducted by civil society organisations are also being implemented.

The development of the capacity available for early childhood services is on the agenda on a continuous basis. In addition to the nursery developments of the European Regional Development Fund, we also support the creation of flexible child care services for children under the age of 3 as part of SROP – locally, as well as at the level of workplaces. The call for proposals also promotes the training and employment of people providing child care services, in addition to the creation of services. The implementation of projects began during 2013, and some 2,000 new places will be available as a result of the measure. The establishment of 1,000 places began by the end of 2013.

Increasing the labour market participation of women is an important goal of the Government. In the past three years, several measures have succeeded in contributing to this process, in particular in the field of encouraging women raising young children to return to the labour market. At present, an employer is not required to pay the 27% social contribution tax and the 1.5% vocational contribution on the first HUF 100,000 of an employee’s salary for two years; for a further year the employer only pays 14.5%, which is around one half of the applicable tax. From 2014, the term of this benefit has been extended by a further 1+1 year for women raising three or more children. Employers took advantage of this tax relief in respect of 33,000 parents in 2013. By virtue of these benefits, the employment of mothers with young children is cheaper for employers, and this may make it easier for young mothers to find employment.

The maternity care extra package of measures that entered into force in January 2014 permits young parents to engage in employment without restriction whilst also receiving maternity benefits or allowances after a child reaches the age of one year; as a result, larger numbers of young women are expected to opt for early employment. The details and further elements of the package are described in Clause 3.1.3 and under Measures Nos. 10 and 25 of the National Reform Programme.

In addition to these measures, the extension of available child care capacity – the creation of thousands of new nursery and day-care facility places – has also indirectly contributed to increased employment opportunities.
3.3 Investing in children

3.3.1 Supporting dual parent labour market participation
We believe it is important that, in addition to mothers, fathers should also play an increasingly large role in the raising of children. Since 2012 we have extended the option of additional leave to fathers (2 days per child up to a maximum of 7 days), as previously only one of the parents – the mother in the vast majority of cases – was eligible for this option. Since 2012 fathers with twins have been entitled to 7 days’ paid leave – instead of 5 days’ leave – within 2 months of the children’s birth.

3.3.2 Improving access to ECEC and its affordability, inclusiveness and quality
Government Decree No. 363/2012. (XII. 17.) on the national basic programme of kindergarten education entered into force on 1 September 2013, and its implementation began in the 2013/2014 kindergarten year.

In addition to the priority of the supplementary function of kindergarten, the basic programme places the emphasis on the role of kindergarten education in the reduction of disadvantages and highlights the significance of regular physical exercise based on the natural physical exercise needs of children of kindergarten age as an activity with an impact on the development, improvement and reinforcement of learning skills, and also lays down the framework requirements that support the development of children requiring special attention.

See also the measures for the enlargement of kindergarten capacity in Clause 3.1.4.

3.3.3 Improvement of social services, specifically child protection
Social summer meals for children
The goal is to ensure that children eligible for regular child protection benefits should have access to hot meals at least once a day during the school holidays in the largest possible numbers. For the attainment of this goal, a fiscal allocation of HUF 2.4 billion was available in 2013. In 2014 the allocation has increased by 10% to HUF 2.64 billion.

Establishment of disadvantaged and multiply-disadvantaged status
Since 1 September 2013 – instead of the sector-specific public education regulations – Act XXXI of 1997 on the Protection of Children and Guardian Administration (hereinafter “Child Protection Act”) has regulated the concepts of disadvantaged and multiply-disadvantaged children (young adults). By virtue of the new legislation, there is substantially greater scope for compensation of the disadvantaged and multiply-disadvantaged situations, on the one hand, on an age level (between 0 and 25 years) and, on the other hand, on a sectoral level.

Child protection
Foster care has been reinforced as part of the child protection care system (see Clause 3.1.4).

Legislative amendments promoting the protection and enforcement of children’s rights have also been introduced. The Child Protection Act introduced the legal institution of child protection guardianship on 1 January 2014 in the interest of providing care suited to the specific needs of children and the consistent legal representation of children’s interests, regardless of the place of care.

The amendments introduced for the prevention and elimination of child abuse may also be seen as a step forward. By virtue of the amendment of 15 March 2014 of the Child Protection Act, the operation of the child protection watch and alert system has been made more effective. The guardian authorities are required to treat confidentially any feedback regarding child abuse or
neglect or any other serious threat. The Child Protection Act further prescribes that experts working in the field of child protection – in particular, in child abuse cases or in cases of sexual abuse involving children – must proceed on the basis of standard principles and a standard methodology approved by the minister responsible for the protection of children and young people.

**Domestic violence**

Hungary has set up an institutional system funded from state resources for the protection of the victims of domestic violence. A network of crisis centres operates as part of the system which provides special services for victims who are compelled to leave their homes in consequence of crisis situations that have emerged due to domestic violence. The crisis centres welcome single victims, single-parent families and entire families.

It is the duty of the crisis centres to manage crisis situations that evolves due to physical abuse in an integrated (complex) – and, if necessary, comprehensive – manner, including the following: physical care for victims; expert assistance (lawyers, psychological aid, social workers); the tools of social work.

### 3.4 Homelessness and housing inclusion

**3.4.1 Implementing strategies to prevent, confront and measure homelessness**

A number of measures have been introduced with a view to the development of the system for the management of the problem of homelessness. After the transformation of the funding of street work, on 1 January 2012, the former normative funding was replaced with a scheme for the distribution of funds by way of calls for proposals, as a result of which 83 organisations in total have been awarded funding. Compared with the former operational funding (HUF 4.5 million/year), they may now pursue their activities from larger allocations, ranging from HUF 5.5 to 7.15 million.

In the interest of supporting the effective operation of street services, the Ministry provided additional funding for the procurement of new vehicles in 2012 and also in 2013 (to the total value of HUF 70 million).

A new user register [Central Electronic Register of the Users of Services] has been created for monitoring the funding of social services, basic child welfare services and child protection services; at the same time, by virtue of the introduction of this register, we are now able to obtain a more accurate picture of the number of people that use the individual services, including the institutions providing care for the homeless.

**3.4.2 Improving quality and access to social, health and other targeted services for the homeless**

In addition to the normative annual aid provided for the institutional care of homeless people, supplementary funding is also being made available, most of which is awarded to service providers by way of calls for proposals or through participation in certain individual programmes. These proposals are invited by the Public Foundation for the Homeless. Some HUF 373 million was available as supplementary funding in 2013.

**3.4.3 Improving access to adequate, affordable housing, including social housing**

The purpose of the projects implemented as part of the SROP-5.3.3 programmes is to reduce the number of people living on the streets and to promote the social integration of homeless people through the improvement of their employability, the enhancement of their chances of employment, the reinforcement of independent lifestyle skills, the subsidising of their independent housing expenses, and social work helping them to obtain and to maintain employment and housing. The
total funding allocated for the 5.3.3 programme amounted to HUF 2,755,000,000 (HUF 2.75 billion) and out of the 596 homeless people who participated in the programmes completed to date, 447 (75%) found the programmes successful.

The purpose of the measures of the programme “Back from the Street” funded from national resources was to implement programmes proposed for the prevention and elimination of crisis situations that may pose a threat to life and the reduction of the number of homeless people living in the street. By virtue of this programme, to date 302 persons have received aid. Some 90% of them who lived on the streets on a long-term basis were able to bring an end to their homeless lifestyle and to change their housing situation on a long-term basis.

Complex estate programmes

The projects implemented within the framework of SROP 5.3.6 contain social, community development, educational, health care, training and employment components in the interest of the elimination or alleviation of disadvantages. The entire population living in a given part of a settlement are involved through individual and communal developments. As part of the arrangement, 22 applicants were awarded aid worth HUF 3.1 billion in total in the first round in 2012 (implementation is ongoing also at present), while 62 applications were submitted in response to the second round, and 34 of these have been awarded aid after the allocation was increased.

The call for proposals entitled SIOP 3.2.3/A “Subsidising of housing projects” was designed to promote the housing component of the programme (HUF 2.6 billion) – in response to which 8 proposals were submitted by the set deadline – requiring funding of some HUF 1.96 billion. In addition to the construction of social rented accommodation, funding for other projects related to the residential environments (e.g. parks, playgrounds) is also available to all residents living in a given part of a settlement. We expect to involve some 2,520 persons in the programmes.

3.4.4 Changes concerning measures and services to better prevent evictions/loss of permanent accommodation

3.4.5 Reforms on housing benefits/support

In 2013, some 377,400 people received housing support monthly on average. As regards the annual average amount of housing support in 2013, the average amount for each beneficiary was HUF 51,563/year (preliminary data).

3.5 Combating discrimination

3.5.1 Tailored and targeted support to services

Based on the National Curriculum in force since September 2013 [Government Decree No. 110/2012. (VI. 4.) on the issuance, introduction and application of the National Curriculum], studies related to social participation now include gender equality issues and fundamental questions related to anti-discrimination. The National Curriculum (NC) also lays down the relaying of positive attitudes which are based on full and comprehensive respect for human rights. The NC further requires learners to acquaint themselves with the situation of the Roma and prescribes the teaching of Roma history, cultural values and traditions. It likewise provides for studies regarding the situation, rights, organisations and institutions of the Roma, thereby helping to eliminate stereotypes and prejudices.

3.5.2 Combating discrimination and reducing segregation

The regulation of enrolment zones for elementary schools [Section 24 of Decree No. 20/2012. (VIII. 31.) of the Minister of Human Resources on the operation of educational institutions and the use of
names by institutions of public education] serves to eliminate or to prevent segregation in school. Enrolment boundaries must be designated in a way that ensures that learners cannot be segregated on the basis of their origin or social situation. See the measure under 39. b) of the National Reform Programme.

Pursuant to Government Decree No. 229/2012. (VIII. 28.) on the implementation of national public education legislation, county public education development plans must provide for the measures necessary for guaranteeing equal opportunities. The state institution maintenance centre defines its district and county-level equal opportunities action plans in harmony with the equal opportunities programme for the purposes of the fulfilment of the state tasks related to public education. Development of the action plans is also ongoing in 2014.

The purpose of the equal opportunities schemes operated in the Integrated Pedagogical System is to: ensure that families’ social and economic status should play a reduced role in children’s advancement in school; reduce the extent of segregation; reinforce cooperation with other sectors and the parents of multiply-disadvantaged children; motivate participating teachers with financial rewards. See the measure under 36. b) of the National Reform Programme for more on the Integrated Pedagogical System.

In 2011 the Government decided on the replacement of the extensive capacity available in social institutions providing nursing and care for people living with disability. The strategy developed for the years 2011-2014 designates the direction of the replacement of institutions providing nursing and care services.

In harmony with the basic principles of the strategy, subsidised housing as a new form of service was introduced on 1 January 2013 in Act III of 1993 on Social Administration and Social Services. Subsidised housing creates adequate conditions for enabling people living with disability, psychiatric patients, addicts and homeless people to receive housing and social services suited to their age, state of health and degree of self-sufficiency.

3.6 Governance

3.6.1 Mainstreaming of social inclusion policies

The monitoring system of the National Social Inclusion Strategy was developed in the interest of effective implementation by the beginning of 2013, as part of which the progress of programmes and measures is reviewed and an annual report is prepared for the Government. During the course of the implementation of the Strategy, the Government pays particular attention to the reinforcement of inter-sectoral coordination processes which primarily concern the measures aimed at the inclusion of the Roma and disadvantaged children. The Roma Affairs Council established in 2013 guarantees consultation on proposals concerned with the strategic directions of inclusion and Roma affairs policies in the interest of making recommendations to the Government and monitoring implementation at the highest political level (it is chaired by the Prime Minister and co-chaired by the President of the National Roma Self-Government). The Inter-Ministerial Committee for Social Inclusion and Roma Affairs is responsible for the improvement of the living conditions of the Roma and people living in extreme poverty with the participation of the ministries concerned. The Committee makes recommendations to the Government with respect to the coordinated planning of the funding requirement of tasks related to social inclusion and the monitoring of the utilisation of funds. The Roma Coordination Council operating with the participation of state agencies, civil organisations, churches and local governments, in addition to the Government, draws attention to problems which hamper the implementation of the measures designed to promote the inclusion of the Roma, participates in the development of professional networks promoting inclusion, and makes recommendations regarding the improvement of the living conditions of the Roma. Through the operation of these inter-sectoral councils and committees, information concerning the interests of
the social group concerned is relayed to the Government on a continuous basis, there is ongoing
dialogue with the representatives of the target group concerned, and there is scope for the
coordination of measures among policy experts and executives.

3.6.2 Involvement of stakeholders
See also in Clause 3.2.1. (With regard to the fact that the Hungarian government treats the issues of
monitoring and social publicity in close connection.)

4. Recent reforms to achieve adequate and sustainable pension
There were no reforms or other measures approved or debated by Parliament in the field of the
pension system during the reporting period. The reason is that the decisions on reforms and
measures serving the sustainability and adequacy of the pension system were adopted in preceding
years. Hungary rendered a detailed account of these reforms and measures in former reports. These
were, for instance, the raising of the retirement age from 62 to 65 years which was passed by
Parliament in 2009 and in consequence of which the pensionable age will increase by 3 years for
both men and women – by half a year annually from the middle of the decade until 2022 –. The
package of reforms introduced in 2012 contained further significant measures for the restriction or
termination of early retirement and concerned the entire range of early retirement and the system
of disability pension services. Further important recent measures (2010-2012) were the return from
the mandatory mixed two-pillar pension system that operated between 1998 and 2010 to the work-
based mandatory social security pension system and the introduction of the “Women 40
Programme” in 2010.

4.1 Early retirement
There have been no changes.

4.2 Pensionable age

4.2.1 Increase
In recent years there has been an observable increase in the development of the actual age of
retirement. Based on the available data concerning old-age pensions, the actual retirement age was
around 60 years in 2012 and 2013; for men, there was an observable increase of 2 years between
2005 and 2013 and an average increase of 1.5 years for women.

4.2.2 Harmonising retirement ages between women and men and taking measures to
address the differences between the pension entitlement of men and women
gender pension gap
The pensionable age was equalised for men and women during the process of the age increases
between 1998 and 2009; since 2009, the statutory pensionable age has been 62 years for both sexes.
The increase in the pensionable age introduced in 2009 also increases the pensionable age by 3 years
equally for men and women.

Two factors are responsible for the discrepancies between the data for men and women: on the one
hand, for early retirement, rules that were more favourable for women were enforced over a longer
transitional period; on the other hand, based on the “Women 40 Programme” introduced as of 2011,
women may also retire before the statutory pensionable age if they have completed 40 years in
work. The average age of women who retired under this scheme between 2011 and 2013 was 57.6-57.9 years, which reduced the actual retirement age for women. (See Table 4.2.3 in the Annex.)

4.3 Contributory period

4.3.1 Current length (this will be answered by all Member States irrespective of any reforms that took place over the observed period)

The average terms of contribution payment for retiring people (service time) were typically between 38 and 39 years on average in the last decade, between 2000 and 2010. Since 2010 there have been greater fluctuations in this data. These fluctuations are temporary and induced by a combination of factors. The reason for the lower 2010 average for women (31.7 years) is the increase of the retirement age from 57 to 59 years. Those eligible for early retirement tend to have a higher average service time; however, due to the increase, there was no new early retirement option for women in 2010, and therefore the vast majority of new pensioners in that year retired at the old-age retirement age subject to the lower completed service time. With the standardisation of the pensionable age, the service times of men and women are converging. In 2011, the higher service time of women may be explained by the large number of women who took advantage of the “Women 40 Programme” (this was the year in which the programme was launched) which resulted, in their case, in a higher service time than for men. The 2012 data reflects the effect of the introduction of the rules relating to the forms of early retirement. In 2011-2012, many people opted for early retirement, which they were eligible for against the completion of a long service time. The effect of this also extended to the 2012 data: this data item includes those who were unable to retire earlier due to their shorter completed service time; that is, those who completed a shorter service time up to the completion of the pensionable age. (See Table 4.3.1 in Annex.)

4.4 Level of pensions

There was no change in this regard during the reporting period. Throughout the management of the economic and financial crisis, the preservation of the purchasing power of pensions was a prime governmental objective.

4.5 Pension indexation

There was no change during the reporting period. On 1 January 2012, pensions were raised in line with the consumer price index.

4.6 Funded pensions

There was no change in this regard during the reporting period.

4.7 Addressing the budgetary implications of ageing

No measures were adopted in this regard during the relevant period; however, the effects of the introduction of earlier reforms/measures are being felt continuously.

4.7.1 Supporting longer working lives

The raising of the retirement age from 62 years to 65 for all will be completed in 2022. On 1 January 2012 the option of early old-age pensionable retirement was abolished. Both measures promote the longer presence of older generations on the labour market, and thereby increase the average employment rate. In response to these measures, tens of thousands of people will delay their retirement by an annual average of 3 to 4 years over the next decade, improving the sustainability of pensions. Extended presence on the labour market will also have a positive impact on the initial
pension levels (resulting in 5 to 6% higher initial pensions in real terms), which will equally improve the sustainability and adequacy of pensions.

4.7.2 Balancing contributions and benefits in a socially fair manner

The former reforms set out to create a closer relationship between the payments made and those received (for instance, the calculation of income serving as the basis of pensions on the basis of life earnings, with the proviso that the basis for calculation of pensions is gradually extended to the entire career from 1988 onwards; in other words, from 1988 the period taken into consideration for the calculation of pensions is increased by 1 year annually, with the gradual removal of degression in the calculation of pensions).

The standardisation of the pensionable age for men and women, which took place between 1998 and 2009, will also have such an effect. Earlier there was a five-year difference between the pensionable ages of men and women; during the course of the increase in the pensionable age, the retirement age increased by 7 years for women and by 2 years for men. Consequently, unlike the former situation, women also increasingly tend to contribute to the financing of their pensions to the same degree.

5. Accessible, high-quality and sustainable health care and long-term care

5.1 Stewardship of the health care systems

5.1.1 Changes to the overall governance of the system

The policies that serve to supplement the comprehensive reform of the Hungarian health care sector implemented in the last three and a half years focus on preventive care; one of the most important present and future areas of this is the reinforcement of the prevention of contagious and chronic non-contagious diseases.

Within the Health Insurance Fund, the allocation of Curative and Preventive Care has increased compared with 2012, and as part of this, the allocation of Consolidated Specialisation Care (out-patient, in-patient, extra funding, specialisation care with special funding) has increased by some 2% in real terms, compared with 2012, when the allocations for pay rises are also added.

The reduction of pharmaceutical subsidies is among the objectives of the Convergence Programme, with the implementation of the generic programme. The effect of these cost reduction measures became more tangible in 2012. The expenditures of the medicine fund amounted to HUF 1.847 billion in 2013, which is more or less equal to those of the year before. Compared with the previous period, we may also observe a decline in the expenditures used for pharmaceutical subsidies.

The overall health care strategy for the years 2014-2020 is currently awaiting social consultation. The strategy also serves as an ex-ante condition of the Human Resources Operational Programme (HROP) that constitutes the foundations for developments in the health care sector during the period 2014-2020.

The priority programme SROP 6.2.5/B “Development of organisational efficiency in the health care system – Development of regional cooperation schemes” was published on 28 October 2013 and serves the attainment of the following goals: creation of standard management systems that permit adequate patient direction and case type-level controlling, and standard development of a system management function that creates the foundations for effective care organisation.
5.1.2 Changes to division of competencies between central level and local/regional level

In the interest of guaranteeing social security, there was a major shift in the field of care obligations from local governments towards the State. Significant changes occurred in the obligation of the organisation of specialised social care services as well. In 2012 the provision of care in long-term residential social institutions was taken over from the county municipalities by the State, and the social institutions that were previously in county operation were transferred to state maintenance together with the child protection institutions that were also formerly operated by the county municipalities. In 2013 the State also took over the responsibilities related to the operation and maintenance of specialised residential social care institutions providing accommodation for people living with disability, psychiatric patients and people struggling with addictions.

A new agency was set up for the fulfilment of the above maintenance and operation tasks of the State, the Directorate General for Social and Child Protection coming under the supervision of the Ministry of Human Resources.

The methodology of community-level health organisation may be developed and the foundations for the development in this direction of the national health care system may be implemented as part of the SROP 6.2.5/B project. By relying on the results and experiences of the project, we may achieve the dominance of integrated basic and out-patient care in the health care system.

5.2 Health service delivery

5.2.1 Services delivery

By virtue of the passage of the relevant statutory regulation, the PET CT scan conducted prior to lung transplantation in patients over the age of 50 became eligible for funding. Decree No. 26/2014. (IV. 8.) of the Minister of Human Resources on pregnancy care has been promulgated, which creates the statutory option that enables midwives to provide care for pregnant women at low-risk if they wish to avail themselves of this option. The development of basic, general care serves the reinforcement of geographically accessible care services and provides improved access to health care services:

The system of general practitioner indicators has been supplemented with a new element which is expected to promote the improvement of the life quality of patients suffering from chronic obstructive respiratory conditions. The process for the employment of physicians with clinical specialisation certificates who wish to enter the practice of a general practitioner has been expedited; this measure will hopefully increase the number of physicians committed to general care.

The practice programmes launched in previous years have continued: 92 physicians entered the Practice I Programme; 29 of them work in mixed, while 4 of them are active in adult districts which had long-term GP vacancies in the most disadvantaged micro-regions. 145 physicians joined the Practice II Programme and obtained a licence to engage in medicine as general practitioners. 27 physicians work in most disadvantaged micro-regions (17 mixed and 10 adult districts); 8 of them undertook practices that were vacant on a long-term basis.

5.2.2 Health prevention

Cervical screening by health visitors introduced on a pilot basis in line with the international practice of cervical screening brings screening closer to women living in small settlements; women who had not seen a gynaecologist for 10 years or more were encouraged to take part in the test.

Concerning the nationwide extension of cervical screening by health visitors, see also item 52. a) of the National Reform Programme, Organised national health screening tests and pilot programmes.

In 2013-2014 a bowel screening pilot programme is being conducted for men and women aged between 50 and 70 in 3 counties (Győr-Moson-Sopron, Heves, Nógrád), with the involvement of
general practitioners. A pilot programme with EU funding will also be launched in Csongrád County in 2014. See also item 52. a) of the National Reform Programme, Organised national health screening tests and pilot programmes.

Health development offices integrated into the health care system were established in 2013 with EU funding in 58 districts (18 most disadvantaged micro-regions + 40 convergence regions) for the purpose of supporting the preventive capacity of the health care system. See also item 52. b) of the National Reform Programme, Health Development Offices.

The implementation of the early childhood programme is ongoing; this programme targets the optimal development of children aged between 0 and 7 – in particular, disadvantaged children – through the improvement of basic paediatric health care services, the development of new screening tests and the enhancement of parental awareness and skills. See also item 52. c) of the National Reform Programme, Providing access to health care services: promoting the preservation of mental and physical health and reducing the inequalities in the state of health.

The development of the medium-term psychological health strategy and of the methodology of psychological health centres is currently in progress. As part of their responsibilities, psychological health centres will provide consulting and will support the prevention and early recognition of psychological conditions. By relying on the cooperation of all players concerned, the goal is to promote coordinated campaigns with the participation of the communal psychiatric and social care services operating at different levels and to create a network of mental health care coordinators in the interest of the implementation of effective patient path organisation.

Contagious diseases: A number of measures are being implemented in this area; the most important ones are the statutory amendments that seek to facilitate infection control and the development of a programme for the reduction of nosocomial (hospital-acquired) infections; equally important are the maintenance of the mandatory state-funded age-specific vaccination scheme and its extension to pneumococcus and HPV vaccination programmes.

Nutrition, foodstuffs: Decree No. 71/2013. (XI. 20.) of the Minister of Human Resources on the permitted highest quantity of trans fatty acids in foodstuffs, the conditions of the distribution of foodstuffs containing trans fatty acids, the monitoring thereof by the authorities and the rules regarding the monitoring of the population’s trans fatty acid intake was promulgated in the autumn of 2013. This decree effectively contributes to the prevention of cardio-vascular diseases (ischaemic heart diseases, stroke) and cancerous diseases.

The draft decree concerning the nutritional health care regulations applicable to public catering was prepared after wide-ranging social consultation; the primary purpose of the decree is to make public catering healthier – particularly public catering for children.


In the interest of improving the population’s state of health and, in particular that of the population of working age, the National Methodological Centre for Supporting Giving Up Smoking and the free telephone service helping people to quit smoking have been operational since October 2012 with EU funding; since December 2013 there are group consulting sessions in 86 pulmonary centres nationwide helping patients to stop smoking, and individual consulting and assistance are also provided with funding from the EU.
Designer drugs: It may provide effective protection primarily for minors that List C) of Government Decree No. 66/2012 (IV.2.) that entered into force on 3 April 2012 – which contains the individual and generic lists of psychoactive drugs – may be amended several times a year to adjust to changes in trends, thereby preventing the distribution of new psychoactive substances produced in increasingly large quantities by way of simple planned chemical alterations. The list was amended twice in 2013: on 15 July, para-methyl-4-methylaminorex, which may be associated with 7 deaths that occurred in Hungary at the beginning of June, qualifies as a controlled substance.

In the interest of the availability of sophisticated and concentrated state health communication capacity, a Health Communication Centre was set up in the second half of 2013, the purpose of which is to become a focus point for the general population recognised as an authentic brand in the field of healthy lifestyles and the prevention of diseases through the provision of quality information (topics: smoking, healthy nutrition, physical activity/sport, alcohol consumption, responsible use of medicines, patient cooperation practice, screening programmes, etc.).

5.2.3 E-Health

The comprehensive e-health care developments commenced in previous years with EU funding will continue during the course of 2013-2014. In addition to supporting health policy and regional decision-making based on facts, the projects implemented in this area equally serve the transparency, coordination and quality assurance of the system and the safe provision of care for patients.

5.3 Investing in the health care workforce

5.3.1 Pay increase

Compared with 2011, average earnings increased by 15.5% in the entire health care sector in 2012, and pay rises continued in 2013. This measure concerned some 90,000 health care workers in 2012 and more than 95,000 in 2013. Health care workers received the 2013 pay rise as part of their September 2013 pay for the first time, retroactive to January.

In the interest of promoting the employment in Hungary of young physicians yet to complete their specialisation practice, the Resident Promotional Programme continued: in response to the scholarship applications invited in November 2013, 601 persons were declared winners and have been able to receive scholarship grants since 1 January 2014.

5.3.2 Professional development and better working conditions

A new National Training List structure has been developed concerning the entire system of health care training which is substantially better regulated than its predecessor and is adjusted to professional expectations and actual labour market needs. There has been the possibility to launch new training courses in the school system since 1 September 2013. Effective from January 2013, the vocational training legislation also enables hospitals to enter into study contracts for the purpose of promoting the practical training of students working towards the acquisition of health care qualifications.

The development of health care human resources working for health care service providers was supported from EU funds (SRÖP 6.2.2/A. – Training programmes in the interest of the development of the services of the health care sector; SRÖP 6.2.4/A. – Promotion of employment for health care institutions). These calls for proposals will contribute to the promotion of employment, the

\[2\] With regard to volume of pay rises, see OSAP 1626 sector-specific wage and staff statistical data (http://www.eski.hu/new3/adatok/berstatisztika/OSAP1626-eves-CD/index.htm).
motivation of those participating in training with scholarships and, as a result, the overall improvement of the level of qualifications among health care workers.

5.4 Cost containment and cost-sharing

5.4.1 Cap on health expenditure growth

In the interest of avoiding an unreasonable increase in expenditures related to medicines and medical implements, trade practices are subject to stringent controls in order to boost the promotion of subsidised medicines and medical implements.

5.4.2 Optimising pharmaceuticals spending

The balance of the medicine fund will be guaranteed by a number of measures also in the future: we shall broaden generic competition to the fullest possible extent, treat the admission of new medicines to the social security system on the basis of the principle of the diversification of risks, etc. The public procurement procedures for the centralised procurement of medicines and medical implements for hospitals, too, must be extended across the widest possible range.

Based on the results of recent years, we may now claim that we have succeeded in maintaining the medium- and long-term balance of the medicine fund in such a way that the burdens of patients have been reduced at the same time. Thanks to the generic competition, the prices of more than 1,500 products have decreased by 35% since the autumn of 2011, and for publicly-funded medicines, patient expenditures decreased in 2012 by HUF 7.5 billion compared with the year before and by a further HUF 3 billion in 2013.

5.4.3 Cost sharing

Main components of the distribution of expenditures in the field of medicines and medical implements: contributions paid by the industry on subsidised medicines, medical visitor fee (for medicines and medical implements) and aid volume agreements concluded by and between pharmaceutical companies and the health insurance fund.

5.5 Enhancement of access to services and of patient’s choice

5.5.1 Access to services

It was the duty of the Office of the Chief Medical Officer as an authority to organise the emergency duty services until 31 December 2013. Since 1 January 2014, the National Ambulance Service has been responsible for the organisation of emergency services in the territory of Budapest and Pest County.

5.5.2 Patients’ rights

We fully prepared for the adoption of Directive 2011/24/EU of the European Parliament and of the Council on the application of patients’ rights in cross-border healthcare and Directive 2012/52/EU laying down measures to facilitate the recognition of medical prescriptions issued in another Member State by 25 October 2013, and these Directives were adopted in national legislation by the prescribed deadline.
6. Theme focus of the 2014 National Social Reports: access to social protection of young unemployed persons

6.1 Minimum income schemes/social assistance

Young unemployed people, too, are eligible for the income supplement provided for unemployed people of active age after a certain period of cooperation with the competent labour centre. Consequently, the changes in the services provided for people of active age also concern the young unemployed. According to data from the Central Statistical Office, some 24% of those eligible for the services provided for people of active age were under the age of 30 years on 31 December 2012. The maximum amount of the regular social benefit (which is equal to 90% of the net amount of the public works wage) increased on 1 January 2014.

6.2 Acquisition of pension rights

We provide an allowance for the elderly as a monetary social benefit for elderly people who do not have an income to support themselves. The amount of the allowance for the elderly depends on the person’s marital status, income and age.

6.3 Unemployment benefits

Some 71% of registered jobseekers under the age of 25 do not receive monetary benefits on the grounds of unemployment. In the absence of former eligible work experience, only 4% of young people have acquired eligibility for a jobseeker’s allowance. As regards eligibility for the jobseeker’s allowance, there is no significant difference in terms of educational qualifications (3-5%).

Some 25% of young jobseekers receive the active age benefit that is subject to social neediness, the employment substitute support (ESS). As regards eligibility for this form of benefit, educational qualifications are highly relevant. 54% of young people receiving ESS only completed their elementary studies at most, and 25% of them have passed their school-leaving examinations. When we look at the different educational categories, we may see that 36% of registered jobseekers under the age of 25 with low educational qualifications receive ESS, while this ratio is 17% among those with secondary qualifications, and a mere 5% among degree-holders.

As regards eligibility for ESS, in addition to educational criteria, regional criteria are equally relevant. The percentage of young jobseekers receiving ESS exceeds the national average (25%) by approximately 10 percentage points in the country’s economically under-developed regions (NA, NGP), in particular, in Borsod County (34%) and Szabolcs-Szatmár-Bereg County (37%).

6.4 Health care services

Act LXXX of 1997 on Social Security Services, Persons Eligible for Private Pensions and the Coverage of These Services (hereinafter referred to as the “Social Security Act”) has for years distinguished fundamentally four categories from the respect of eligibility for services:

- The first category includes insured individuals (Section 5 of Social Security Act) who, by virtue of some gainful activity and the contribution payments attached thereto, are eligible for all health care services.

- The second category covers individuals who are entitled to health care services (Section 16 of the Social Security Act); these individuals are not engaged in gainful activities but are not required to pay separate contributions. This category includes minors and the socially needy. In the case of these individuals, it is a criterion that they must qualify as resident, and they may only avail themselves of services in kind. Jobseekers, too, form part of this category;
however, only if they also receive monetary benefits (if they are only registered, they do not fall into this category).

- The third category is comprised of individuals who pay a health care service contribution, and they, too, are only entitled to services in kind. This group includes persons with a Hungarian residence card (whether foreign or Hungarian) who do not fall into the first two categories. Against the payment of a monthly health care contribution of HUF 6,810, these individuals acquire eligibility for health care services.

- Finally, the fourth category includes individuals who join the health insurance scheme based on their voluntary decision and enter into an agreement [Section 34(10) of the Social Security Act]. Against the payment of a monthly contribution – subject to the application of certain specific restrictions – they acquire eligibility for services in kind. In their case, the existence of a Hungarian residence card is not a pre-condition.

The access conditions listed above ensure that all Hungarian and non-Hungarian nationals living in Hungary have access to publicly-financed services in Hungary based on specific conditions of eligibility, on a mandatory or voluntary basis.
**ANNEXES**

Table 3.1.4: Current data of available kindergarten capacity

<table>
<thead>
<tr>
<th>OP</th>
<th>Number of programme, allocation</th>
<th>Capacity enlargement target value (persons)</th>
<th>Expected completion of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGPOP</td>
<td>4.2.1-11</td>
<td>689</td>
<td>01.10.2013-01.12.2014</td>
</tr>
<tr>
<td></td>
<td>HUF 2,350 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STOP</td>
<td>3.1.2-12</td>
<td>347</td>
<td>01.02.2014-01.03.2015</td>
</tr>
<tr>
<td></td>
<td>HUF 4,990 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HUF 2,000 million</td>
<td></td>
<td></td>
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<td></td>
<td>HUF 2,000 million</td>
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<td></td>
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<tr>
<td></td>
<td>HUF 3,040 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WPOP</td>
<td>5.3.1/B-12</td>
<td>219</td>
<td>01.02.2014-01.03.2015</td>
</tr>
<tr>
<td></td>
<td>HUF 880 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4999</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.1.1: Total amount of family support benefits covered by the maternity care benefit (GYED) extra package of measures, number of persons and expenditure data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity allowance</td>
<td>70% of average earnings, max. 142,100/month</td>
<td>81 378</td>
<td>106 350</td>
</tr>
<tr>
<td>Maternity benefit</td>
<td>HUF 28,500/month, in case of twins: HUF 28,500/month/child</td>
<td>162 014</td>
<td>68 719.7</td>
</tr>
</tbody>
</table>

*Source: Hungarian State Treasury, National Health Insurance Fund*
Table 3.2.2: The new nursery capacity implemented or coming into being under the auspices of the New Széchenyi Plan is being implemented/has been implemented in the following regional distribution

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of subsidised organisations</th>
<th>Number of new institutions</th>
<th>Of which number of new places (between 2010-2013)</th>
<th>Number of new places to be completed by 31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Great Plain</td>
<td>51</td>
<td>27</td>
<td>966</td>
<td>317</td>
</tr>
<tr>
<td>South Transdanubia</td>
<td>8</td>
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<td>152</td>
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<tr>
<td>North Great Plain</td>
<td>28</td>
<td>10</td>
<td>447</td>
<td>332</td>
</tr>
<tr>
<td>North Hungary</td>
<td>23</td>
<td>6</td>
<td>280</td>
<td>172</td>
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<tr>
<td>Central Transdanubia</td>
<td>19</td>
<td>7</td>
<td>561</td>
<td>20</td>
</tr>
<tr>
<td>Central Hungary</td>
<td>63</td>
<td>40</td>
<td>875</td>
<td>1,363</td>
</tr>
<tr>
<td>West Pannon</td>
<td>19</td>
<td>14</td>
<td>332</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>211</strong></td>
<td><strong>107</strong></td>
<td><strong>3,613</strong></td>
<td><strong>2,391</strong></td>
</tr>
</tbody>
</table>

Source: MAG Zrt.

Table 4.2.3: Development of actual age of retirement, old-age pensions

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>59.9</td>
<td>57.7</td>
<td>58.6</td>
</tr>
<tr>
<td>2010</td>
<td>60.2</td>
<td>60.7</td>
<td>60.3</td>
</tr>
<tr>
<td>2011</td>
<td>60.5</td>
<td>58.5</td>
<td>59.2</td>
</tr>
<tr>
<td>2012</td>
<td>62.0</td>
<td>59.2</td>
<td>60.0</td>
</tr>
<tr>
<td>2013*</td>
<td>62.1</td>
<td>59.4</td>
<td>60.3</td>
</tr>
</tbody>
</table>

*preliminary data

Source: Central Administration of National Pension Insurance
Table 4.3.1: Average rate of service time for old-age pensions

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>40.1</td>
<td>36.7</td>
<td>38.1</td>
</tr>
<tr>
<td>2010</td>
<td>40.0</td>
<td>31.7</td>
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<tr>
<td>2011</td>
<td>39.9</td>
<td>39.4</td>
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<tr>
<td>2012</td>
<td>34.2</td>
<td>37.2</td>
<td>36.3</td>
</tr>
</tbody>
</table>

*preliminary data

Source: Central Administration of National Pension Insurance